



Meeting Location: **Dept. of Commerce, 1011 Plum ST SE, Olympia, WA 98504, Bldg 5, 1st Floor, Columbia River Room**

Agenda Item	Action	Page	Time
A) ADMINISTRATION			
1. Call to Order: <i>Stan Finkelstein</i>			9:00
2. Welcome and Introductions			9:02
3. Approve Agenda: <i>Cecilia Gardener</i>	Action	1	9:05
4. Meeting Minutes for October 7, 2016: <i>Barbara Smith</i>	Action	5	9:07
5. Executive Director Update: <i>Cecilia Gardener</i>	Verbal		9:10
6. Department of Commerce Update: <i>Mark Barkley</i>	Verbal		9:20
B) CONTRACTING			
1. PWAA Quarterly Contract Report: <i>Jacquie Andresen</i>	<i>Informational</i>	15	9:30
2. DWSRF Quarterly Contract Report: <i>Jacquie Andresen</i>	<i>Informational</i>	17	9:35
3. DWSRF Loan Amendment – City of Chehalis: <i>Janet Cherry</i>	Action	19	9:40
BREAK			9:45
A) ADMINISTRATION, continued			
7. Department of Commerce Update: <i>Brian Bonlender</i>	Verbal		10:00
B) CONTRACTING, continued			
4. DWSRF Extension Request – North Beach Water District, DM12-952-129: <i>Jacquie Andresen</i>	Action	21	11:10
5. DWSRF Extension Request – North Beach Water District, DM12-952-121: <i>Jacquie Andresen</i>	Action	21	11:20
C) POLICY & PROGRAM DEVELOPMENT			
1. DWSRF Transition Update: <i>Cecilia Gardener/Hannah Andrews</i>	Verbal		11:30
2. Lobbyist Reporting: <i>Mara Machulsky & Steve Lindstrom</i>	Verbal	25	11:45
LUNCH			12:00
3. PPP Presentation: <i>Jonathan Trutt, West Coast Infrastructure Exchange</i>	Verbal	29	12:30
4. Board Attendance Policy Discussion: <i>Scott Hutsell & Ann Campbell</i>	Verbal		1:30
5. Proposed Meeting Dates for 2017: <i>Cecilia Gardener</i>	Action	73	1:45
D) INFORMATION & OTHER ITEMS			
1. SCI Quarterly Report and Funding Program Summary: <i>Cathi Read</i>	<i>Informational</i>	77	2:00
2. Board Committee Updates	Verbal		2:10
3. Board Member Updates	Verbal		2:20

Note: Anticipated time of Adjournment is 2:30 pm

NEXT BUSINESS MEETING SCHEDULED: December 2, 2016, at the Department of Commerce, Olympia, WA.

Department of Commerce, 1011 Plum Street SE, Olympia, WA 98504-2525.
Contact the Public Works Board at (360) 725-2744 for further information.

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Conference ID: **40394**

TAB A

Administration



PUBLIC WORKS BOARD BUSINESS MEETING MINUTES

October 7, 2016

Department of Commerce, 1011 Plum Street SE, Olympia, WA 98504

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair		Hannah Andrews, Dept. of Health	Cecilia Gardener, Executive Director
JC Baldwin, Vice Chair		Dave Arbaugh, Arbaugh & Associates	
Lisa Ayers		John Kounts, Washington Public Utility Districts Association	Jacquie Andresen
Pam Carter			Mark Barkley
Jerry Cummins		Jim Kuntz, Washington Association of Water and Sewer Districts	Carrie Calleja
Mary Margaret Haugen		Steve Lindstrom, Board Lobbyist	Ann Campbell
Scott Hutsell		Mara Machulsky, Board Lobbyist	Cindy Chavez
KC Kuykendall		Jeff Nejedly, Dept. of Ecology	Isaac Huang
Steve Misiurak		Shawn Seaman, Chelan County PUD	Cathi Read
Diane Pottinger		Ericka Schwender, Dept. of Health	Barbara Smith
Matt Rasmussen (<i>via Skype</i>)			
Bubba Scott			
Lisa Wellman (<i>via Skype</i>)			

A. ADMINISTRATION

- 1) Call to order: Stan Finkelstein called the meeting to order at 9:00 am.
- 2) Welcome and Introductions.
- 3) **ACTION: Diane Pottinger moved to approve the agenda as presented. Jerry Cummins seconded the motion. MOTION APPROVED 12-0** (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).
- 4) **ACTION: Pam Carter moved to approve the September 9, 2016, meeting minutes as presented. Scott Hutsell seconded the motion. MOTION APPROVED 12-0** (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).
- 5) Executive Director Update: Cecilia Gardener stated: I'm not sure session ever ended last year. It's definitely in full gear already. We have lots on the agenda to talk about, so I'll defer to those items when they come up.
- 6) Department of Commerce Update: Mark Barkley stated: I want to update the Board that there is a lot of staff turnover inside the Local Government Division. Connie Rivera is replacing Jill Nordstrom as the new Supervisor for the Federal Unit. Mark McCaskill has replaced Jeff Wilson as the new Managing Director in the Growth Management Services unit. Bill Cole has left Community Capital Facilities, and we are actively hiring a new Managing Director to replace him. That person should be on board by mid-November.



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B. CONTRACTING

- 1) DWSRF Loan Amendment Request – Kitsap PUD District: Erika Schwender presented a loan amendment request from Kitsap PUD, contract #DM15-952-048, for their Green Mountain Acres project. This loan funds upgrades to the Green Mountain Acres water system as part of a restructuring project, with ownership being transferred to Kitsap PUD. The existing loan amount is \$729,730 at 1% with no loan origination fee, and 50% principal forgiveness (it is classified as a consolidation project). Due to several factors, the construction bids exceeded the construction budget in the loan application:

- Estimated budget in the loan application was prepared prior to having detailed design plans developed.
- The project site proved more difficult than originally anticipated.
- Kitsap PUD underestimated the water main length needed for the project.

Kitsap PUD budgeted \$499,220 for construction in their 2014 DWSRF application and the lowest responsible bidder provided a base bid construction cost of \$655,718. Kitsap PUD is requesting an additional \$150,000 to allow construction completion and the existing loan terms be applied to the additional funding (1% interest rate, no loan origination fee, and 50% principal forgiveness). If approved, the additional funds would be provided by amending the existing loan or executing a new loan contract to allow better tracking of subsidy.

There were no recusals from the Board.

ACTION: Diane Pottinger moved to approve the loan amendment request for Kitsap PUD as presented. Steve Misiurak seconded the motion. MOTION APPROVED 12-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

C. POLICY AND PROGRAM DEVELOPMENT

- 1) DWSRF Transition Update: Cecilia Gardener stated: The Department of Health has hired Hannah Andrews as the project lead for the DWSRF transition process. She will be guiding the process. Each committee has had their initial meeting. Hannah Andrews stated: I set up a timeline for the next year. We will establish milestones and a work plan. I'll be tapping into those subject matter experts. Mark Barkley stated: One of the other items we need to work on is a Memorandum of Understanding (MOU) between the Public Works Board, the Department of Commerce, and the Department of Health. We're working on this together. That's due by the end of December. We'll be pulling that together and creating a draft for review. That will set the tone and the climate for the transition.

Diane Pottinger asked: We were told there would be considerable cost savings in this transition. Can you update us on the costs, so we can see that? Cecilia Gardener replied: We can work with the Department of Health to develop that. KC Kuykendall responded: I think that's particularly important, given the state of the Public Works Assistance Account (PWAA) and its future. As the PWAA funding becomes more and more a topic of discussion as the session approaches, I think it's important to show whether there are efficiencies gained or not going forward with the transition.



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- 2) Predictive Model Update: Cindy Chavez stated: Here are the updated graphs you asked for at the Board's Retreat. Diane Pottinger asked: So all the utility tax redirects don't show up because they've been diverted directly to the Educational Legacy Fund (ELF)? Ann Campbell replied: Half are going to the ELF, and half to the General Fund. Chavez replied: Correct. It's not coming into the account, so it doesn't show up on the graph.
- 3) Retreat Follow-Up: Cecilia Gardener stated: Thank you all for a good retreat, I think we had robust discussions, and you came up with multiple initiatives to move forward on. There are three items that came out of the retreat. Some require legislative modifications, and some are business practice change.
 - 1) Modifying Board membership to include Legislative members on the Board.
 - 2) Adding additional authority to enable the Board to issue grants which could be utilized in various fashions – for example for a buy down program, a grant program, or for a loan forgiveness program.
 - 3) Increasing the non-construction funding appropriation limit percentage to go from 15% to 25% of the total appropriation.

These have been put into a z-bill and submitted for consideration in the Governor's budget. We met with the Association of Washington Cities (AWC) yesterday, and we've agreed that AWC's vehicle will be the dominant focus. They were comfortable including all 3 items into their vehicle. Unless anyone has major heartburn over that, I think it would behoove the Board to have a single vehicle.

Mary Margaret Haugen responded: I'm worried that the other entities won't support a Cities' (AWC) bill. Diane Pottinger replied: Pam (Carter) and I brought those concepts up at our last conference. The biggest one we have a problem with is that there is a lot of confusion over that grant authority. Once we explained it, everyone was happy with it. But the initial terminology put off a lot of people. We need to be very careful how we describe that in order to get the Washington Association of Water and Sewer Districts' (WASWD) support. Cecilia Gardener replied: It will be included in the development of a message regarding the Board's proposals. It's not going to be a large program. Since the fund has been compromised, it will be used in a very limited fashion in the beginning. Also, it's a "May," not a "Shall."

Stan Finkelstein responded: Since the bill will be initiated by AWC, does that cause problems with Water and Counties? Scott Hutsell responded: The confusion is that we will be running parallel, and the legislators ask what the difference is between us and them. I am in favor of running with AWC. I think we can still keep our autonomy and do this. Lisa Ayers responded: I'm curious what AWC's portion of the bill says. Cecilia Gardener replied: It's predominantly what was included in the 2.0 document that you already reviewed. The commission is going to look at the global infrastructure funding role in the state. There's the broader philosophical question, and then the details that were outlined in the 2.0 document. Activities like value planning, and asking "What is the local's role?" What is the state's role?" Ayers asked: So everything that's in the state portion of the bill, we're going along with? Gardener replied: Yes, but we haven't seen the draft bill yet.

Mara Machulsky responded: It's important to see what comes out. I've heard that Senator Rivers will likely be the sponsor. We'll just have to see it first. We can always branch off and do our own bill, if there's a problem. Chiefly the establishment of a commission will be the focus of it.



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Cecilia Gardener asked: Please everyone have your Associations look at the document, so we can discover any issues that are out there.

KC Kuykendall responded: I can assure you that the board of AWC has not taken a position to approve any AWC-sponsored bill. There is no consensus on the AWC board on this yet. I do not want to see the cart get before the horse here. We are too close to session. And the stakes are way too high for us to have a fumble in the budget forming process. I can see a huge disconnect between those who are communicating on this issue. There is no decision that has been made on who the sponsor of this will be. I've met with Senator Maureen Walsh and she loves the idea of championing this bill.

Scott Hutsell asked: The other piece is, are we going to spend a lot of effort about the return of the funding streams? That's a big question in this. We said we would like to just have the loan repayments and the little bit of REET. Cecilia Gardener responded: There are three: Loan repayments and REET. Get our loan repayments back in 2019. Or get our loan repayments back earlier. Thank you to KC (Kuykendall) for letting us know that AWC's board hasn't voted on this yet.

Mary Margaret Haugen asked: I didn't read the statement from the Supreme Court about coming up with a funding source. Is it a source or an account? I think that is going to influence the decision. Cecilia Gardener responded: They have the Education Legacy Account. I don't know what else is going into that pot. Tax Revenue dedicated to the PWAA is currently going into that account, it includes the utility tax, and the solid waste tax. Haugen responded: But they have to put money into it on an ongoing basis. Gardener replied: They have to come up with that this session. I haven't heard anything out of the group that was created for this. They're going to be very busy addressing that. Haugen responded: My understanding is that the Republican Caucus is not participating in the committee that's working on this.

Diane Pottinger introduced Jim Kuntz, the new Executive Director for the Washington Association of Water and Sewer Districts.

Stan Finkelstein stated: We need to make some decisions today.

- 1) Three modifications to the RCW
- 2) Approval of the construction loan list
- 3) Revenue issues

Pam Carter stated: I'm a little frustrated in that some ways we're re-plowing the same ground. We agreed to these points at our Retreat. It would help if there was something in writing to refresh our memory. Stan Finkelstein asked: Is there agreement to remove those three elements?

ACTION: Mary Margaret Haugen moved to remove those three elements. Pam Carter seconded the motion. MOTION APPROVED 12-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott and Wellman).

Stan Finkelstein stated: Our second decision is about the loan list. Cecilia Gardener replied: You



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approved these three things at the retreat – grants, legislators, and percentage of the appropriation for pre-construction and emergency. Do you still agree with those three elements, as you voted on at the retreat?

ACTION: Pam Carter moved to approve the Board seeking grant authority, adding legislators to the Board membership, and changing the loan interest rate. Mary Margaret Haugen seconded the motion. MOTION APPROVED 12-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

ACTION: Pam Carter moved to obligate all our loan repayments and the REET. Mary Margaret Haugen seconded the motion. MOTION APPROVED 12-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

Cecilia Gardener stated: The Board, at their policy retreat, voted 6-5 to support the commission. I suggest we bring that back when it's fully fleshed and take another vote at the November meeting.

Stan Finkelstein asked: Can Staff and the Executive Committee work on an "intent" section that speaks to the problem statement and include that as part of the draft? Cecilia Gardener responded: You mean modify the proviso section? Finkelstein replied: No, Section 1 is the "intent" section. Gardener responded: So this goes in the z-bill? Finkelstein replied: Yes. We will include language opposing further diversions.

- 4) PWB Construction Loan List: Ann Campbell started out by introducing the review team: Connie Rivera from the Federal Unit, Jacquie Andresen, Carrie Calleja, herself, and Isaac Huang from the Public Works Board staff. Campbell stated: We met four times to vet and debate the applications. We developed the scoring protocol that you see before you. Board Members, your role is outlined in the Board packet. Page 29 outlines your process.

Board Recusals:

Stan Finkelstein: None

JC Baldwin: Recused herself from the City of Wenatchee.

Lisa Ayers: None

Pam Carter: None

Jerry Cummins: Recused himself from the City of Walla Walla.

Mary Margaret Haugen: None

Scott Hutsell: Recused himself from Lincoln County.

KC Kuykendall: None

Steve Misiurak: None

Diane Pottinger: None

Matt Rasmussen: None

Bubba Scott: None

Lisa Wellman: None

Diane Pottinger asked: On Project 14, is that DWSRF? What is CWSRF? Cecilia Gardener replied: That is the Clean Water State Revolving Fund. Also, we asked both the Departments of Health and Ecology to verify that these projects were not eligible for their SRFs.



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ACTION: Mary Margaret Haugen moved to approve the construction loan list as presented. Lisa Ayers seconded the motion.

ACTION: Mary Margaret Haugen amended her motion to propose funding the entire list. KC Kuykendall seconded the motion.

ACTION: Stan Finkelstein called for a vote on whether to vote on the list in its entirety. MOTION APPROVED 12-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

ACTION: Stan Finkelstein called for a vote on approval of the loan list in its entirety. MOTION APPROVED 12-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

- 5) Lobbyist Reporting: Steve Lindstrom stated: We don't have much more to report, due to our previous discussion. Diane Pottinger asked: You met with Richard Ramsey and Brian Sims? What happened? Lindstrom replied: We both met with each of them individually. They were both quite cordial to us. We're doing our best this first month on the job to be listening and not selling our points yet. And then bringing that information back to you. We have four audiences: First is the Board, the second is the Legislature, the third is back home to who you represent, and the fourth is the general public. Hopefully out of that can come an amalgamated position with a positive result for the Board.
- 6) Board Attendance Policy: Scott Hutsell stated: We had a Policy Committee meeting this morning. Pam Carter, Mary Margaret Haugen, KC Kuykendall, myself, Isaac Huang, and Cindy Chavez met. What brought this up was a board meeting date was changed, and a member had a previous engagement. Should that be a black mark? Should it be consecutive absences? Excused versus unexcused? The thing is we want Board members to be engaged and present. At the next meeting we will have a draft policy for your review. We're not changing a lot of things, but rather addressing some things that maybe don't make sense anymore.
- 7) Proposed Meeting Dates for 2017: Cecilia Gardener stated: This is a list of the First Fridays in 2017. Pam Carter stated: I think it would be good to identify a retreat date ahead of time. Gardener responded: Please go home, check these dates, and we'll vote on this at your November meeting.

D. INFORMATION & OTHER ITEMS

- 1) Funding Webinar Update: Jacquie Andresen stated: We held a funding webinar on September 29th. We got feedback that we could market it better. They'd like us to hold another one. We had about 60 registrants. We will do follow up with everyone who registered. KC Kuykendall responded: I would love to bring this to the AWC conference as a break out session. Pam Carter suggested: You should video tape this and post it on our website.
- 2) IACC Conference: Cathi Read stated: We will have 12 Tech Teams on Tuesday morning of the upcoming IACC Conference.
- 3) Board Committee Updates: Jacquie Andresen stated: We will have a newsletter out for review next week.



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Stan Finkelstein stated: The Executive Committee met on Monday, for a stakeholders' conference call. We also had a follow up meeting yesterday with Carl Schroeder at AWC, regarding the 2.0 document.

- 4) Board Member Updates: Scott Hutsell stated: I attended the Gig Harbor Wastewater Treatment Plant Improvements Project ribbon cutting. It's fabulous. I was very impressed. Thank you, Steve Misiurak.

KC Kuykendall asked: How do we communicate with the Department of Commerce about the consternation about the operating budget? I drafted that letter, and I understand it was submitted. Is there any feedback from that? Mark Barkley replied: I believe there are some upcoming scheduled meetings, and Brian Bonlender will be at the November 4th Board meeting at 10 am. I think that will be high on his list.

ACTION: Mary Margaret Haugen moved to adjourn the meeting at 1:09 pm. Jerry Cummins seconded the motion. MOTION APPROVED 12-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Kuykendall, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

TAB B

Contracting



DATE: October 23, 2016
TO: Public Works Board
FROM: Jacquie Andresen, Programs Specialist
SUBJECT: PWAA Contract Status Report

This memo provides a quarterly status update to the Public Works Board and offers a snapshot of activities carried out by the PWAA Program Staff.

Number of Contracts Received from PWB from 7/1/2016 – 9/30/2016

PWAA 0

Number of Contracts in Open Status as of 9/30/2016

PWAA 46

Number of Contract Closed 7/1/2016 – 9/30/2016

PWAA 3

Dollars distributed to Clients 7/1/2016 – 9/30/2016

PWAA \$7,097,361

Dollars remaining for Clients to Draw as of 9/30/2016

PWAA \$45,435,690



DATE: October 23, 2016
TO: Public Works Board
FROM: Jacquie Andresen, Programs Specialist
SUBJECT: DWSRF Contract Status Report

This memo provides a quarterly status update to the Public Works Board and offers a snapshot of activities carried out by the DWSRF Program Staff.

Number of Contracts Received from PWB from 7/1/2016 – 9/30/2016

DWSRF 11

Number of Contracts in Open Status as of 9/30/2016

DWSRF 104

Number of Contract Closed 7/1/2016 – 9/30/2016

DWSRF 5

Dollars distributed to Clients 7/1/2016 – 9/30/2016

DWSRF \$14,419,009

Dollars remaining for Clients to Draw as of 9/30/2016

DWSRF \$190,332,610



DATE: October 17, 2016

TO: Public Works Board

FROM: Janet Cherry & Mike Copeland, Office of Drinking Water, Drinking Water State Revolving Fund (DWSRF) Program

SUBJECT: Requests for Additional Funding to Allow Construction Completion

STAFF RECOMMENDATION

Staff respectfully requests the following actions from the Public Works Board (PWB):

1. Individual confirmation of recusal status:

Board Member	Recusal (No, or Applicant Name)
Stan Finkelstein, Chair	
Janet (JC) Baldwin, Vice Chair	
The Honorable Lisa Ayers	
The Honorable Pam Carter	
The Honorable Jerry Cummins	
Mary Margaret Haugen	
The Honorable Scott Hutsell	
The Honorable K.C. Kuykendall	
Steve Misiurak	
Diane Pottinger	
Matthew Rasmussen	
Mark (Bubba) Scott	
Lisa Wellman	

2. Requests for Additional Funding to Allow Construction Completion

The DWSRF program has developed a program to allow additional funds to be awarded to existing DWSRF loan recipients for construction completion. The recently approved Intended Use Plan identified \$1.5 million dollars to be available this fiscal year for this purpose, with a \$300,000 maximum award per loan contract. The following process was developed in order for loan recipients to qualify for this additional funding:

- Bid tabs must be provided.
- The construction contractor must be identified along with the final negotiated construction contract amount.
- An explanation of why the bids exceeded the funding amount must be provided.

- Amount of money needed to complete construction must be identified. The additional money cannot result in an exceedance of the allowed funding limit established at the time of contract execution.
- The scope of the project must remain the same.

a. Summary of Past Requests for Additional Construction Money

Following are the additional construction money requests received and approved to date:

- i. Hartstene Pointe Water Sewer District loan amendment for contract DM12-952-126. Hartstene Pointe Water Sewer District was approved at the September PWB meeting to receive \$192,420 of additional funding to complete their construction project.
- ii. Kitsap PUD Crystal Springs loan amendment for contract DM16-952-043. Kitsap PUD was approved at the September PWB meeting to receive \$91,673 of additional funding to complete their construction project.
- iii. Kitsap PUD Green Mountain Acres loan amendment for contract DM 15-952-048. Kitsap PUD was approved at the October PWB meeting to receive \$150,000 of additional funding to complete their construction project.

b. Recent Request for Additional Construction Money

City of Chehalis loan amendment for contract DM15-952-180. City of Chehalis has recently bid their redundant flocculation basin project. The existing loan amount is \$909,000 (includes 1% loan origination fee) with 1.5% interest rate. Chehalis budgeted \$495,000 for construction in their 2013 DWSRF application and the lowest responsible bidder provided a base bid construction cost of \$1.2 million. Due to several factors, the construction bids exceeded the construction budget in the loan application:

- As the project design progressed, the new flocculation basin needed to be placed on pilings. The project required 24 augercast pilings to support the new flocculation basin.
- Additional relocation of existing raw and treated water supply lines were needed to accommodate the revised flocculation basin location.

Chehalis is requesting an additional \$303,000 (includes 1% loan origination fee) to allow construction completion and the existing loan terms be applied to the additional funding (1.5% interest rate and 1% loan origination fee). If approved, the additional funds would be provided by amending the existing loan.



DATE: October 24, 2016
TO: Public Works Board
FROM: Jacquie Andresen, Programs Specialist
SUBJECT: Project Completion Extension Requests

STAFF RECOMMENDATION

Staff recommends extending the contract project completion dates as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Original Closeout Date	Current Closeout Date	Proposed Closeout Date
DWSRF	North Beach Water District	DM12-952-129	Water Supply and Treatment Improvement	\$2,190,631	\$1,230,025.58	11/26/16	11/26/16	12/31/17
Reason for Extension Request: Phase A of this project has been completed. Phase B, North Wellfield Improvement has taken longer than anticipated due to the delay of critical equipment procurement, delivery, and installation. Additional time is needed to complete the Phase B activities, which include installation of a control panel, chemical feed equipment, and mechanical makeup. Project is 20% complete.								
DWSRF	North Beach Water District	DM12-952-121	Water Main	\$891,123	\$231,095.50	11/26/16	11/26/16	12/31/17
Reason for Extension Request: This water project includes installation of water mains and a backwash water transmission main at the North Wellfields site. This work has been completed. On December 3, 2014, the Dept. of Health approved North Beach Water District extending this project to align with the completion of contract DM12-952-129. This also allows the Water District to utilize the remaining funds in this contract to complete Phase B work on the DM12-952-129 contract.								

BACKGROUND - The client has requested extensions to their project completion dates. Staff evaluated the requests through a staff peer review process. DOH has been consulted and agrees with extending the DWSRF projects.

Public Works Board, Summary of Legislative Activities, October 31, 2016,

by Steve Lindstrom and Mara Machulsky

Intro

The second month of work by the Public Works Board (PWB) lobby partnership focused on briefings from Department of Commerce staff and meetings with stakeholder staff members. The meetings (listed below) examined their opinions about the political environment in Olympia and the chances of success for the broad PWB Legislative Agenda. Funding a modest list of projects and tweaking the enabling act for the PWB would be second most-likely to be well received. Restoring original revenue sources remains unlikely because of the pressure on the Legislature to complete the funding of the “McCleary” decision without new or major tax increases.

Meetings

Mr. Mark Barkley (Commerce)

Mr. Carl Schroeder (AWC)

Ms. Nona Snell (OFM)

Ms. Sheri Sawyer (Governor's Office Senior Policy Advisor)

Representative Richard DeBolt

Representative J.T. Wilcox

Congressman Denny Heck

We held a conference call on October 3rd with PWB Executive Committee members, Cecilia Gardner, Ann Campbell, Carl Schroeder, Ted Sturdevant, Bill Clarke, John Kounts, and Scott Hazlegrove. An outcome of the call was a consensus on the legislative priorities this year being protecting the loan repayments and the 2% of REET as the income for the PWAA. We heard concerns from Scott Hazlegrove, who represents the WAWSD, about the PWB's potential grant-making activities not being sustainable for the account.

We attended the October Future of Washington Infrastructure group meeting and heard an update on the Public Works Infrastructure 2.0 proposal, and the need to build a new infrastructure financing system that includes a reformed PWAA. They discussed grant making, forgivable loans, and other alternatives for financial assistance, as well as buying down points, leveraging federal dollars, and the viability of a continued long-term revolving model. A more in depth analysis of the proposal will occur at the November 3rd meeting of this group.

When we met with Ms. Snell, she indicated that she is working on a broader proposal regarding how public works infrastructure is financed, but could not provide any details at this time. As you know, Ms. Snell recommended removing the Board's draft legislation from the queue until the Governor's budget is released in early December, and it is currently on hold awaiting direction from the Board and/or the Administration.

Our meeting with Mr. Barkley was broad-ranging and cordial. He was most supportive and is looking forward to working with us and the Board, as well as the department's communication specialist and new legislative liaison moving forward. Not optimistic, but hopeful about each component of the department's decision package getting funded. He recommended that we meet with Director Bonlender.

We had brief meetings with Representative Richard DeBolt; Representative J.T. Wilcox; and, Congressman Denny Heck, all of whom are aware of the dilemma facing the Public Works Board and Representative Wilcox said it was time to quit "taking advantage of local governments!"

Other

On October 18th the House Local Government Committee held a hearing about the Growth Management Act. At the hearing the committee discussed the need for comprehensive plans that are consistent across jurisdictions, with planning assumptions such as minimum urban/rural densities, and land capacity assumptions. At the hearing they discussed urban growth areas as they relate to the GMA. UGAs are a combination of developable land, critical areas with large limitations and existing pre-GMA developments. According to a presentation by Kitsap County, many of these developments are being served by existing, functional septic systems and are in no need for urban sewer improvements in the near-term. The Growth Management Hearings Board indicated that sewer infrastructure must be provided for them within the 20-year planning horizon, to remain consistent with the GMA. This shifts the responsibility to local jurisdictions to accommodate growth.

Several changes to the GMA were proposed, including: clarifying industrial land bank deadlines, define "rail-served land" as a resource land, and removing barriers for counties to re-zone land.

Political Landscape

In addition to the status provided in our September report, this election is shaping up to be a good one for Democrats, according to pollster Stuart Elway. The veteran pollster had this to say as he released his latest poll last week:

"Washington Democrats are poised for a good day on November 8. With two weeks until voting ends, Democrats enjoy a 16 point advantage over Republicans in party identification. Their top-of-the-ticket candidates have strengthened their leads; Democrats are leading in four of the six statewide down-ballot races; and voters are more likely to vote for Democrats than Republicans for the Legislature by a 4:3 margin."

Ballots are out, and voting has begun. The only poll that matters will be the election

night results, but if Elway and other prognosticator's predictions of a good night for Democrats come true and the balance of power shifts in the State Senate, our task and strategy for success will need to be reevaluated and adjusted. Basically, we will be better positioned when we have seen the PWB positions jell and the issues to be clearly parsed as a result. -If you have questions or need additional information, please call. Thank you.

Mara & Steve,
October 31, 2016



Date: November 4, 2016

To: Public Works Board

From: Cecilia Gardener, Executive Director

Subject: Proposed 2017 Board Meeting Dates

The Public Works Board is required to submit to the Code Reviser the annual calendar of business meetings. The Board typically considers the coming year's calendar of meetings at their October meeting and votes on in November.

- ❖ These proposed dates are on the first Friday of the month, unless otherwise stated.
 - ❖ Traditionally we have two meetings in August to review the Construction Loan list. As the Board voted to commit all resources in the first FY, there no reason for a second August meeting.
 - ❖ The Retreat is in September in order for the Board to respond to what comes out of the Legislative Session.
- January 6, 2017
 - February 3, 2017
 - March 3, 2017
 - April 7, 2017
 - May 5, 2017
 - June 2, 2017
 - July 7, 2017
 - August 4, 2017
 - ~~August 18, 2017~~ }
 - September 7-8, 2017 – Retreat - *Due to Labor Day Holiday 09/04/2017*
 - October 6, 2017
 - November 3, 2017
 - December 1, 2017

TAB D

Information and Other Items



Performance-Based Infrastructure in the Public Sector

**Washington State Public Works Board
November 4, 2016
Olympia, Washington**



What Is WCX?

- 501(c)(3) non-profit
- Formed by Oregon, Washington, California
- Advised by British Columbia
- A publicly-funded resource to public agencies exploring Performance-Based Infrastructure (PBI) options



Basics of PBI

What Is PBI?

An infrastructure delivery method that...

- Consolidates responsibility for the key aspects of a project's full lifecycle into a single, performance-based contract with a private partner
 - Design
 - Construction
 - Long-term Maintenance

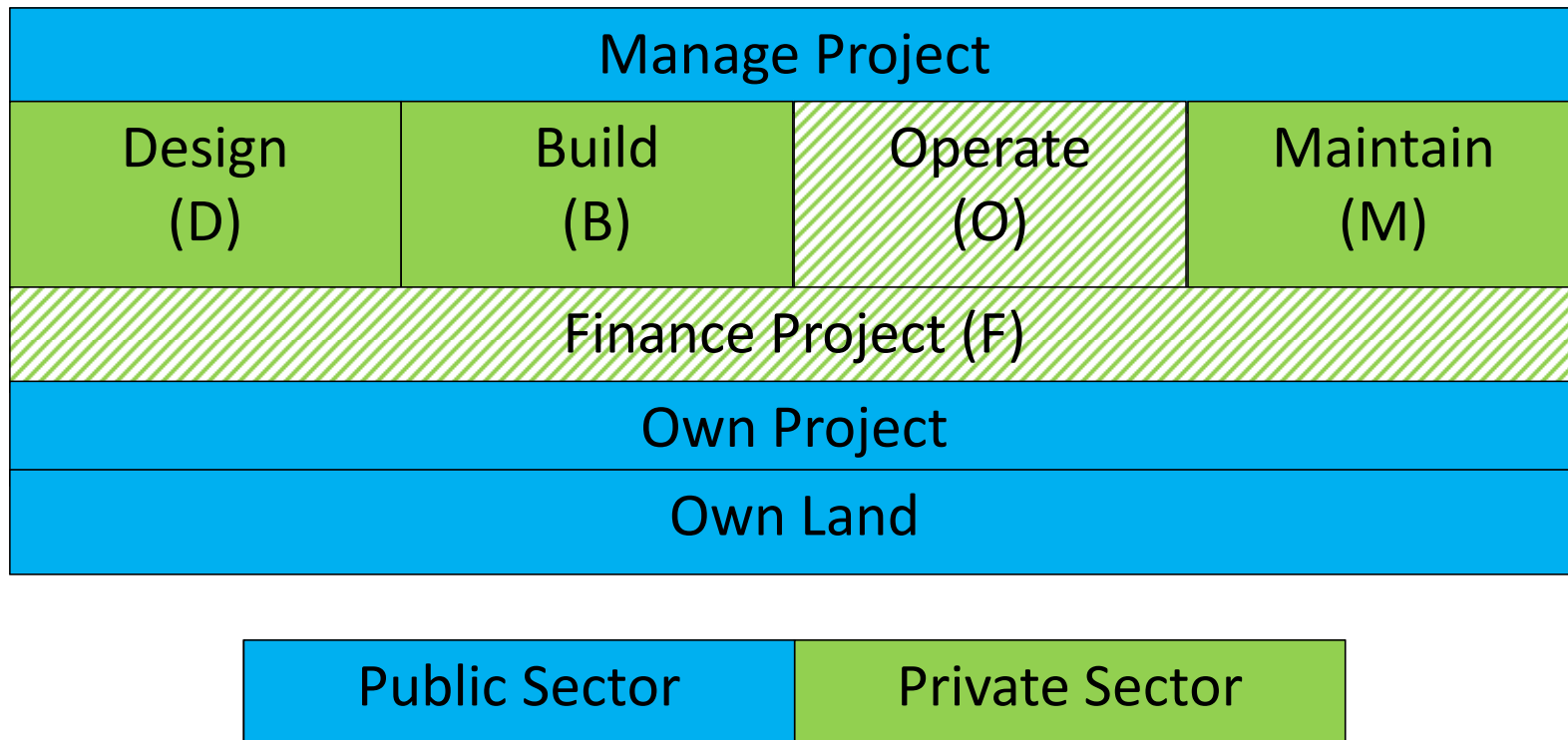
- Substantially shifts cost overrun and performance risks from the public to the private sector

Private and Public Roles: Traditional Procurement

Manage Project			
Design (D)	Build (B)	Operate (O)	Maintain (M)
Finance Project (F)			
Own Project			
Own Land			

Public Sector	Private Sector
---------------	----------------

Private and Public Roles: PBI Procurement



PBI Key Concepts

- Public ownership / control
- Emphasis on full life cycle costs
- Pay-for-performance model with guarantees
- Asset management / long-term capital maintenance as contractual deliverable

PBI Key Concepts

- Focus on outcomes
- Risk allocation / transfer
- For the right projects, better value for the public



- *"The Agency anticipates that the Facility Site plan will include features similar to those included in the conceptual site plan, although not necessarily in a similar configuration."*

Request for Proposals Appendix 4, Section 4.2

Table 3-3. Required Minimum Design Service Life of Regional Water System Components	
Facility	Minimum Design Service Life, yrs
Raw Water Transmission Main, Facility yard piping, and Finished Water Transmission Mains	100
Structures	50
Electrical/Mechanical Process and Prime Mover Equipment:	
Mechanical components	20
Continuous duty pumps	20
Electrical components	15
Electrical substations	25
Electrical motor control centers	25

Source: West Yost Associates – Davis Woodland Water Supply Project: Project Technical Requirements

- *"Proposers are encouraged to provide creative alternatives that have better long-term performance and cost features, and are not obligated to provide the Benchmark Project, providing Proposers comply with the Design and Construction Requirements..."*

Request for Proposals, Section 2.1.9

Focus on outcomes \neq loss of control

"Piping for chemical feed systems shall be Schedule 80 polyvinyl chloride (PVC) conforming to American Society for Testing and Material (ASTM) D1785, or reinforced tubing with a tensile strength minimum of 2,600 pounds per square inch (psi) per ASTM D412 inside a Schedule 40 conduit with long radius elbows."

Request for Proposals, Appendix 3, Section 3.3.3

Efficient Risk Allocation

Risk Generally:

The chance that something bad or unpleasant (such as injury or loss) will happen.

-Merriam-Webster

Risk in Infrastructure Projects:

The chance of an uncertain event occurring that would cause actual project circumstances to differ from initial assumptions and costs to increase.

Public Sector Retained Risks		
Record of decision (ROD) from FTA	FTA Full Funding Grant Agreement Approval	Right-of-way acquisition
Owner or Third Party directed changes	Fare policy and rate setting	Fare revenue and ridership

Risks Fully Transferred to Private Sector		
Final design approval by public partner	Design errors/omissions	Utility relocations
Contractor interface issues during construction	Commodity inflation during project construction	Labor inflation during project construction
Contractor-caused cost overruns and schedule delays	Timely rolling stock procurement	Rolling stock interface with systems
Integration of project elements (LRVs, systems, track, etc.)	Commissioning and final acceptance	System and vehicle performance, maintenance and operations
State of Good Repair on Hand Back to Owner	State of Good Repair and Capital Renewal Work	

Shared Risks		
Third party, permits, and external review approvals	Implementation of ROD & stakeholder commitments	Project funding during construction and operations
Interest rate fluctuations during solicitation process	Unanticipated utilities and unreasonable utility delays	Unanticipated hazardous materials
Quality Assurance / Quality Control	Geotechnical risks	Intersections, grade crossings, and signal operations
Stakeholder outreach & communications	Changes in government law impacting the project	Force Majeure events
Maintenance of roadways	Inflation during operating period	

Risks Transferred		Risks Retained
Design & Construction	Entitlements & Utilities	Change in law
Completion Risk (Delay and Efficacy)	Construction Cost Overruns	Uninsurable Force Majeure Events
Disputes between Designer, Builder and Operator	Landlord Risks & Rental Income Shortfalls	Pre-existing Site Environmental Conditions
Operations & Maintenance	O&M Cost Overruns	Inflation
Regulatory Compliance	Capital Maintenance	
Technological Obsolescence	Excess Energy Consumption	

Additional Key PBI Concepts Related to Risk

- Guaranteed Design and Construction Costs
- Pay-for-Performance Provisions
- Turnback Provisions

Guaranteed Design and Construction Costs

- Design-Build component of PBI procurements locks in a construction price and puts the private sector at risk for non-performance
- Infrastructure Ontario Track Record 2015 Report: 44 out of 45 PBI projects delivered on-budget (98%)
- Projects were delivered 1.6% under budget on \$19.2B of awarded contracts

Construction Closures	Construction Closure Adjustments High Priority Hours*	Construction Closure Adjustment Low Priority Hours**
One lane of I-4 in one direction	\$40,000	\$20,000
Two lanes of I-4 in one direction	\$90,000	\$30,000
Auxiliary Lane of I-4 when associated ramp movement is open to traffic	\$20,000	\$10,000
One lane of SR-408 in one direction	\$60,000	\$60,000
Two lanes of SR-408	\$120,000	\$120,000
More than two lanes of SR-408 in one direction	\$180,000	\$180,000
One lane of a multilane ramp	\$10,000	\$5,000
All lanes of a ramp	\$30,000	\$10,000

Source: Florida Department of Transportation: I-4 Volume 1 Appendix 3-C – Final Acceptance Payment Adjustments

Table 10-4. Water Treatment Guarantee Bonuses and Liquidated Damages

Water Quality Parameter	Compliance Monitoring Period	Incentive Bonus per Contract Year Quarter ^(a,b,c)	Liquidated Damages ^(a,b)		
			Allowed Violations per Contract Year Quarter without Incurring a Mark	Liquidated Damages per Mark	Cap on Liquidated Damages per Contract Year
Legal standard whose violation results in a boil water order	—	—	0	\$500,000	none
Legal standard whose violation results in public notification	—	—	0	\$125,000	none
Other federal or State water quality requirement	—	—	0	\$50,000	none
SDS DBPs (64/48/8) ^(d)	RAA calculated monthly	—	0	\$10,000	\$50,000

Source: West Yost Associates - Davis Woodland Water Supply Project: Project Technical Requirements

Pay for Performance

Long Beach Courthouse

Scenario:

- Prisoner elevator is down
- Elevator serves holding cells between courtrooms
- 4 floors are affected
- Space unavailable for 5 hours
- Holding cells and linked spaces all deemed unavailable

Periods unavailable	2	(2 hour periods)	
Floors affected	4	floors	
Functional Unit	# of Units / floor	Unit Deduction	Total Deduction
Courtrooms	2	\$384	\$6,144
Holding cells	7	\$96	\$5,376
Interview Rooms	2	\$96	\$1,536
Attorney/Client Room	4	\$96	\$3,072
Elevator Unavailability Penalty			\$5,000
Total			\$21,128

Source: California Administrative Office of the Courts

Table 13-3. Examples of Level 3 Fair Overall Condition and Unacceptable Conditions

Facility Element	Level 3 Fair Overall Condition	Unacceptable Condition
Concrete	Abrasion, minor hairline cracks, small chips, and isolated small stains	Exposed rebar, spalling, water leakage, compromised structural integrity, chipping and peeling of coatings or paint on coated or painted concrete.
Steel	Minor rust, discoloration, minor nicks	Compromised structural integrity; visible bending, corrosion that adversely affects function, chipping and peeling of coatings or paint on coated or painted steel.
Process equipment systems	Worn but functional wear components	Non-wear parts that cannot be repaired; corroded casings, broken gaskets, missing bolts, excessive vibration during operation.

Source: Davis Woodland Water Supply Project – Service Contract Article 10 and RFP Appendix 13

Turnback Requirements

Long Beach Courthouse

- Facilities evaluation at least two years before end of 35-year maintenance term
- Facilities Condition Index (FCI) ≤ 0.15
- “Repair or pay”
- Public can withhold scheduled payments as security for required work to meet FCI requirement



Source: Project Agreement Section 9.10 and Appendix 6

PBI Project Screening Criteria

Should I consider the PBI method for an upcoming project?

PBI Project Screening Criteria

- Is there a legal path forward?
- How do maintenance and operating costs compare with initial construction?
- To what extent can performance specifications be utilized?

PBI Project Screening Criteria

- Over what period could a performance-based contract be established?
- How large is the design and construction budget?
- How important is schedule certainty?

Project Complexity

How complex is the project and does the complexity create opportunities for innovation?

Project Complexity

Interior Heart & Surgical Centre (Kelowna, BC)



Project Complexity

Interior Heart & Surgical Centre (Kelowna, BC)

Indicative Design	Winning Design	Additional Benefits
Four floors	Three floors	Reduced overall cost and shortened construction schedule
Minimum of 51 out of 62 standardized rooms	Standardization in 60 of the 62 rooms	Enhanced operational efficiencies
No access to the exterior or natural features from either of two staff lounges	Access to the exterior and natural features from both staff lounges	Better opportunity for staff to relax and rejuvenate during breaks
47-month construction period	34-month construction period	New facilities available to Interior Health patients 13 months earlier than anticipated

Source: Partnerships British Columbia – Project Report: Interior Heart and Surgical Centre

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Aggregation

Can the project be aggregated with similar projects and completed through a single procurement process?



Before

West Cruickshank Road
Middlesex Township



After

Aggregation

Prince George's County Clean Water Partnership

- Green infrastructure stormwater management project
- Design-Build-Operate-Maintain (DBOM)
- 30-year partnership to meet MS4 permit compliance requirements
- Design, retrofit, and maintenance of up to 4,000 impervious acres



Timeline

How important is schedule certainty?



Timeline

Regina, SK Wastewater Treatment Plant Upgrade

- Upgrade of an existing wastewater treatment plant with dated technology and in poor condition
- Design-Build-Finance-Operate-Maintain (DBFOM)
- 30-year maintenance term



Effluent Limits

- Treated effluent discharges to Wascana Creek
 - *Feeds into Qu'Appelle River and Fishing Lakes*



Existing and Future Effluent Limits

Parameter	Existing	Future
BOD (mg/L)	25	15
TSS (mg/L)	25	15
Ammonia (mg/L)	No Limit	4 summer, 10 winter
Nitrogen (mg/L)	No Limit	10 summer, 14 winter
Phosphorus (mg/L)	1.00	0.75
Disinfection	Seasonal	Year-round

Source: City of Regina – Regina's Wastewater Treatment Plant Upgrade Project: Project Background

Private Finance

PBI with Private Financing

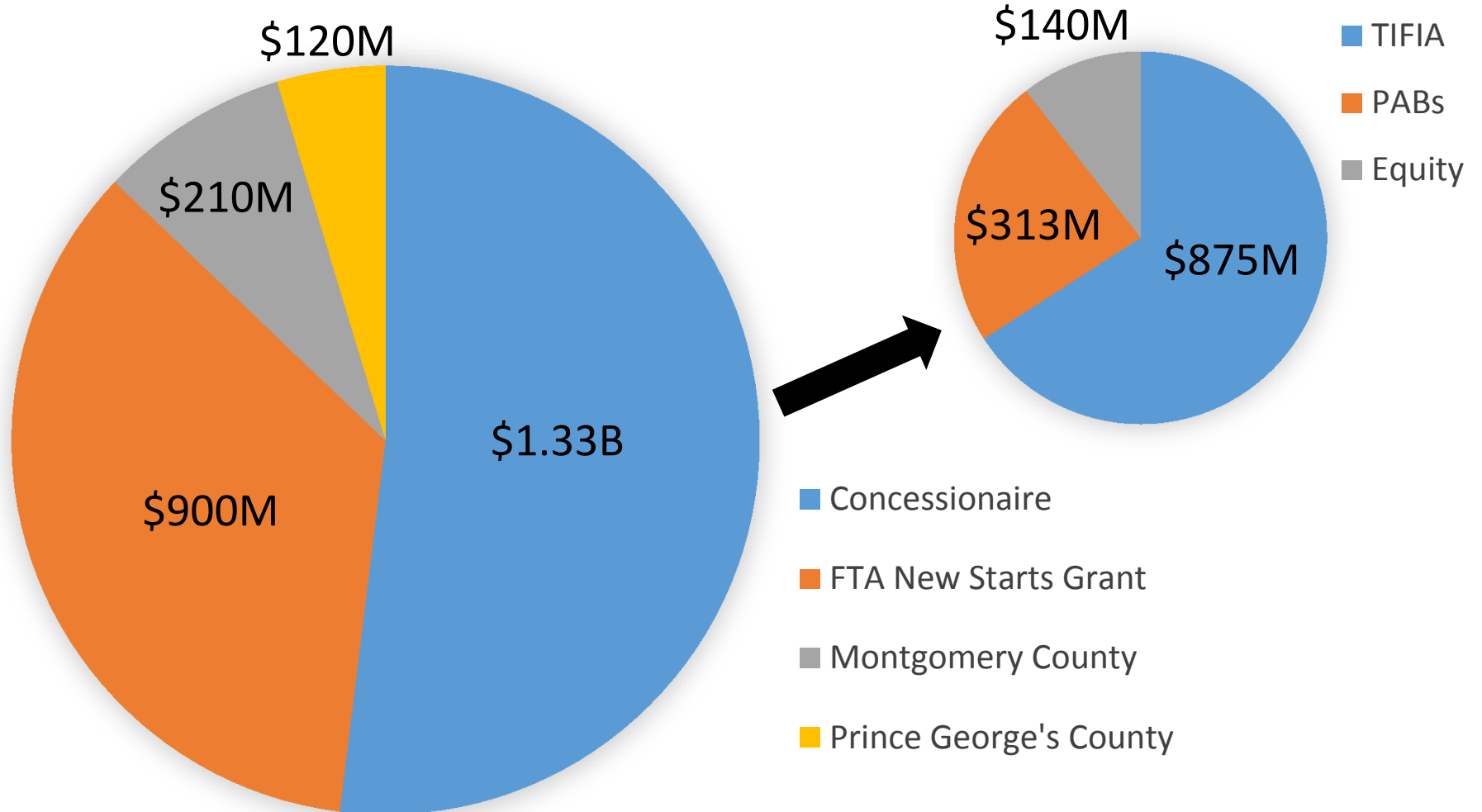
- What are we talking about when we speak of PBI with private financing?
 - Debt & Equity
 - Debt
 - Can be tax exempt for transportation projects
 - Bankruptcy protections
 - Equity
 - No bankruptcy protection
 - More expensive than debt

Why Consider Private Financing?

- Debt constraints
- Project acceleration
- Private financing can be tax-exempt and mixed with extremely low-cost public financing sources
- Additional scrutiny of performance
- Security for long-term performance / turnback provisions

Maryland Purple Line

Funding Sources



	Purple Line (2016)
PABs	\$312,945,000
True Interest Cost	3.27%
Credit Rating	BBB+
TIFIA	\$875,000,000
Cost of Financing	2.41%
Weighted Cost of Debt	2.64%
Equity	\$140,000,000
Debt / Equity Ratio	89% / 11%
Total Weighed Cost of Capital	3.10% - 3.62%

Source: [Fitch Ratings](#)



Contact:
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(971) 271-8468

jonathan.trutt@westcoastx.org

Questions?



**Small Communities Initiative
Quarterly Report
(July - September 2016)**

*Submitted by Cathi Read and Jon Galow
Department of Commerce*

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Bullman Beach Water Association, (pop. ~40) Clallam County <i>(Assist Association with developing a sustainable source of water.)</i></p> <p>SCI involvement per Health SWRO request in late 2014.</p>	<p>Association hired an experienced hydrogeologist to conduct a second pump test.</p> <p>Health's Regional Engineer has submitted a request to the 'Community Engineering Corps' program (an AWWA program) to assist the Association with source approval and near-term engineering needs.</p>	<p>Finish updating Small Water System Management Program.</p> <p>Update Water Facilities Inventory (WFI) form.</p> <p>Submit updated Source Approval/ Project Report.</p> <p>Determine treatment for permanent water source, if applicable.</p>	<p>\$25,000 Health Pre-Construction Grant.</p> <p>Association funds.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Carbonado (pop. 610) Pierce County <i>(Assist Town with wastewater system planning and assessment; also help as needed with water system)</i></p> <p>SCI re-involvement approved by Ecology SWRO and Health NWRO in 2012</p>	<p><u>Wastewater</u> Numerous calls and e-mails with Clerk-Treasurer.</p> <p>Convened and facilitated “Tech Team” meeting on July 27, which included Town staff and elected officials, consulting engineer, and staff from Ecology, Health, USDA Rural Development, TIB, Commerce, and others; updated Action Plan.</p> <p>Submitted previous Income Survey results to Rural Development for review; result – Town is eligible to apply for Rural Development construction funding.</p> <p>Convened another meeting in Town on September 23 at the request of funders to finalize funding strategy.</p> <p><u>Water</u> Submitted Water System Plan Update to Health; Health comment letter sent September 1.</p> <p>However, Town has decided to not apply for Drinking Water SRF funding.</p>	<p><u>Wastewater</u> Design work for collection system replacement will be completed (or near-complete) in October 2016.</p> <p>Apply for construction funding from Ecology in October 2016, and from USDA Rural Development funding as soon as possible.</p> <p><u>Water</u> Apply for USDA Rural Development funding as soon as possible.</p> <p>Develop action plan for purchasing easement or land swap with school district.</p> <p>Complete Phase 1 of water main replacement project. Future phases of main replacement in this area will be constructed in 2017-2018 using school bond revenue.</p>	<p><u>Wastewater</u> Ecology 2014 Water Quality Funding for \$100,000 (\$50,000 loan/ \$50,000 grant) of Ecology pre-construction funding to complete GSP/FP.</p> <p>\$920,000 (\$460,000 loan/\$460,000 grant) in Ecology funding for design of collection system improvements.</p> <p><u>Water</u> Two \$30,000 Source Water Protection Grants from Health for planning work in the watershed (total \$60,000).</p> <p>\$525,000 state appropriation from ‘Projects for Jobs and Economic Development’ for reservoir replacement.</p> <p>\$360,000+ Pierce County CDBG grant for Source Water Main Replacement Project.</p> <p>\$300,000 Pierce County CDBG grant for Source Water Capture and Transmission Improvement Projects.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Carrolls Water Association (pop. ~400) Cowlitz County <i>(Assist Association with water system planning and projects)</i></p> <p>SCI involvement per Health SWRO request in 2013</p>	<p>Met with Carrolls Association Board members, operator, and engineering consultant on July 27 and August 31. Helped plan for and conduct Annual Customer Meeting on September 22.</p> <p>Approved a new commodity rate increase effective October 1, 2016.</p> <p>Following recommendations from a hydrogeologic report, the Association conducted test well drilling in July. Unfortunately the test well did not produce a usable public water source.</p> <p>Board directed its Engineer to begin working on plans and specs for Capital Improvement Program projects (see at right).</p>	<p>Monthly meetings with Carrolls Board to address operational, technical, and managerial issues.</p> <p>Continue search for new well (most likely in fractured basalt).</p> <p>Continue to implement Cross Connection Control Program.</p> <p>Begin implementing Capital Improvement Plan, including:</p> <ul style="list-style-type: none"> • Improvements to make Wells S02 and S03 permanent; • Isaacson vault replumbing; • Well S01 re-plumbing and enclosure to protect from freezing. 	<p>\$30,000 Source Water Protection Grant for Hydrogeologic Assessment and Report of Groundwater Options.</p> <p>\$100,000 RCAC loan for priority system improvements.</p> <p>\$25,000 Department of Health Pre-Construction Grant for pre-construction work associated with test well drilling.</p> <p>Association funds for actual test well drilling.</p>
<p>Clallam County PUD #1 (Upper Fairview area pop. ~595) Clallam County <i>(Assist PUD with developing plan to serve Upper Fairview during low flow periods in Morse Creek)</i></p> <p>SCI involvement per Health SWRO request in 2015.</p>	<p><i>No SCI activity this quarter.</i></p> <p><i>This project will be removed from the next SCI Quarterly Report.</i></p>	<p>PUD will apply for construction funding for long-term, permanent pumping solution.</p> <p>PUD will update Drought Response Plan.</p> <p>Water System Plan Update due in 2016.</p>	<p>PUD funds</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Cusick (pop. 207, water system pop. ~420)</p> <p>Pend Oreille County (<i>Water system planning, treatment plant and distribution system upgrades; wastewater collection system planning and upgrades</i>)</p> <p>SCI involvement per Health request in 2015</p>	<p><u>Water</u> Cusick and its consultant continued work on pre-construction activities for treatment plant upgrades.</p> <p>Cusick awarded \$750,000 CDBG General Purpose (GP) grant for rehabilitation and improvements to the Town's rapid-sand water treatment plant.</p>	<p><u>Water</u> Complete pre-construction grant work.</p> <p>Execute CDBG GP grant contract.</p> <p>Attend October 25 CDBG grant workshop.</p> <p>Conduct CDBG environmental and cultural review process.</p> <p>Continue work on water treatment alternatives feasibility study.</p> <p><u>Sewer</u> Assess need and timeline for potential wastewater collection system planning work.</p>	<p>\$25,000 DWSRF Pre-construction Grant for water treatment plant upgrades.</p> <p>\$24,000 CDBG Planning-Only grant for water treatment plant alternatives</p> <p>\$750,000 CDBG General Purpose for water treatment plant upgrades</p> <p><i>Prior to SCI involvement:</i></p> <ul style="list-style-type: none"> • CDBG POG - \$21,904 - for Water System Plan (2014) • Kalispel Tribe loan - for Water System Plan (2014) • Cusick Water Fund - \$14,000 – for WSP amendment/treatment plant evaluation (2015)

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Everson (pop. 2,481) Whatcom County (Wastewater planning; upgrade wastewater system)</p> <p>SCI involvement per Ecology NWRO request in 2010</p>	<p><i>No SCI activity this quarter.</i></p> <p><i>This project will be removed from the next SCI Quarterly Report.</i></p> <p>Project is progressing on-schedule. Some major components of the upgrade that are completed are the new bio-selector; the new operations building; the combined influent wet well, valve vault and metering vault. The old lab building is currently being re-purposed into the process building. Plant personnel are working closely with the contractor in sequencing flow through the plant during construction.</p>	<p>The City is planning for substantial completion occurring December 5, 2016 and final acceptance on January 4, 2017.</p>	<p>CDBG Planning Only Grant - \$35,000 for Wastewater Facilities Plan amendment.</p> <p>PWTF Pre-Construction loan of \$300,000 for design.</p> <p>\$500,000 FEMA Pre-Disaster Mitigation Grant for the outfall portion of the work.</p> <p>\$2,360,000 Ecology SRF loan. \$520,000 City of Nooksack (County EDI Fund Loan) \$260,000 City of Nooksack (County EDI Fund Loan)</p>
<p>Goosehaven Water Association (pop. ~75) Pend Oreille County (Water system planning, metering, distribution, source and controls; consolidation options.)</p> <p>SCI involvement per Health ERO request in 2016</p>	<p>Jon participated in an annual member meeting on August 1 along with association board, Pend Oreille PUD and consultant.</p> <p>A consolidation feasibility study considered management and ownership options with the Pend Oreille PUD. Study also evaluated water system condition and identified system deficiencies.</p>	<p>Develop a plan to install meters on all connections.</p> <p>Develop a Small Water System Management Program.</p> <p>Consider rate increases and outside funding sources to install meters and make system improvements as needed.</p> <p>Assist Board as needed.</p>	<p><i>Prior to SCI Involvement:</i> \$30,000 DOH DWSRF Consolidation Grant</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Greater Bar Water District (pop. ~300) Douglas County (Water system consolidation, new source well, reservoir and distribution piping)</p> <p>SCI involvement per Health ERO request in 2008</p> <p>Involves the following water systems: Greater Bar Water District Rocky Butte Water Assoc. Rich Acres Water Corp. Bar Development Whitlam Water GKs Country Market</p>	<p>Jon participated in District meetings on July 7, August 15, and September 19.</p> <p>A District commissioner resigned at the end of August. District hopes to fill this position in October.</p> <p>District made its first DWSRF loan payment.</p> <p>Construction mostly finished with physical consolidation complete. All water systems now operating under a single system ID (19910).</p> <p>District completed a consolidation study which recommended the District continue to discuss options with the City of Bridgeport including both management and ownership opportunities.</p> <p>SAO audit mostly complete but report or management letter won't be available until October or November. District negotiated fee and scope of work change with SAO after it was determined federal was unnecessary.</p>	<p>Finalize construction and closeout funding contracts.</p> <p>Recruit and appoint commissioner to vacant position.</p> <p>Respond to and correct any deficiencies identified in SAO Accountability Audit.</p> <p>Begin reading meters and consider revised water rate structure.</p>	<p>CDBG \$35,000 POG and DOH Grant(s) for feasibility study(s)</p> <p>\$30,000 Douglas Co. 0.09% 2010 & 2011 funding</p> <p>\$40,000 RCAC interim loan (refinanced with DWSRF loan)</p> <p>\$2,722,800 DWSRF loan (~ 50% forgivable principal)</p> <p>\$200,000 DWSRF loan (additional loan)</p> <p>\$1 million CDBG grant (pass-through via Douglas Co)</p> <p>\$1 million Jobs Now Act grant</p> <p>\$30,000 Department of Health Small Water System Consolidation Grant</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Index (pop. ~200) Snohomish County <i>(Assist with Critical Aquifer Recharge Area Stakeholder discussions)</i></p> <p>SCI involvement per Health SWRO request beginning 2016.</p>	<p>Learned about the Town's 'Critical Aquifer Recharge Area Study' and need for discussions with stakeholders through discussions with Health and Town staff.</p>	<p>Meeting(s) with DNR and other stakeholders.</p> <p>Tech Team meeting for water system upgrades scheduled for October 18 at IACC Conference.</p>	<p>Source Water Protection Grant</p>
<p>City of Kahlotus (pop. ~ 195) Franklin County <i>(Upgrade water system and considering community sewer system)</i></p> <p>SCI involvement per Health ERO request beginning in 2014</p>	<p>Jon met with mayor, staff and city council on August 18, August 25 and September 15.</p> <p>Kahlotus experienced a nearby wildfire on August 21-24 that burned to the edge of town.</p> <p><u>Water</u> City awarded \$741,300 CDBG General Purpose grant for water distribution system replacement work.</p> <p><u>Wastewater</u> City held CDBG closeout public hearing August 18 for Sewer Feasibility Study.</p> <p>A community wastewater system proposal is on hold while the City focuses on other priorities.</p>	<p><u>Water</u> Execute CDBG contract and attend October 25 grant management workshop.</p> <p>Conduct consultant procurement.</p> <p>Begin CDBG environmental and cultural review work.</p> <p>Town staff update SWSMP, as needed.</p> <p><u>Wastewater</u> Closeout CDBG Planning-Only grant contract.</p>	<p><u>Water</u> \$741,300 CDBG GP for water distribution system replacement</p> <p><u>Wastewater</u> \$24,000 CDBG Planning-Only Grant (2014 funds) \$24,000 SFY 2016 Ecology Pre-construction funds</p> <p><i>*Prior to SCI involvement -</i> \$24,000 CDBG Planning Only Grant (2007) – Sewer System Feasibility Study.</p> <p><i>*\$24,000 CDBG Planning-Only Grant (2010) – SWSMP approved February 2013</i></p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Metaline (pop. ~173) Pend Oreille County <i>(Upgrade water system)</i></p> <p>SCI involvement per Health ERO request in 2005</p>	<p>Jon attended September 21 council meeting.</p> <p>Town is considering refinancing their USDA RD wastewater treatment plant loan (2038 maturity date).</p> <p>Town is considering sewer rate increases due to recent maintenance and replacement expenses that impacted sewer fund.</p>	<p>Submit real estate Notice of Intent for Washington State Treasurer LOCAL Program before December 1.</p> <p>Continue to consider IACC income survey as an option for challenging US Census Bureau MHI data and HUD LMI data.</p> <p><u>Water</u> Water distribution replacement projects on hold.</p> <p><u>Wastewater</u> Consider update to General Sewer Plan.</p>	<p><u>Prior activities</u> \$1.54 million for Water Treatment Plant, Reservoir and meter project (2008-10).</p> <p>\$24,000 CDBG POG for Water System Plan – WSP approved in January 2014.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Morton (pop. 1,126) Lewis County <i>(Assist City with preparing for wastewater system upgrades and drinking water system upgrades)</i></p> <p>SCI involvement per Ecology SWRO request in 2012 and Health SWRO request in 2014.</p>	<p><u>Wastewater</u> Met with Town elected officials, staff, consulting engineer, and Ecology staff on July 21. Following comments from Ecology on Pre-Design Report and due to new assumptions, consulting engineers have revised some of their original recommendations. I&I work continues in Basin 1.</p> <p>RCAC conducted an income survey (funded by Ecology). The wastewater service area meets income eligibility requirements to apply for CDBG funding; the drinking water service area does not currently meet those requirements.</p> <p><u>Water</u> Working on Water System Plan Update.</p> <p>Looking at permanent options for a new raw water line.</p> <p>DWSRF construction contract now in place for new reservoir.</p> <p>Comprehensive Performance Evaluation conducted in July.</p> <p>9</p>	<p>Next meeting scheduled for November 17.</p> <p><u>Wastewater</u> Submit revised plans and specs to Ecology.</p> <p>Apply for Ecology construction funding in November (assuming adequate completion of design). Apply for CDBG funding in June 2017.</p> <p>Keep working on new outfall easement agreement.</p> <p><u>Water</u> Continue investigating emergency funds from FEMA for raw water transmission line repairs made last winter. Continue working on raw water transmission line permanent solution.</p> <p>Finish design of new reservoir.</p>	<p><u>Wastewater</u> \$40,000 from Lewis County '.09%' fund (2013) for Fisher Ave I&I improvements.</p> <p>SFY 2015 Ecology funding:</p> <ul style="list-style-type: none"> • \$783,000 Design of wwtp improvements. • \$1,162,900 Design and construction of collection system improvements. <p><u>Water</u> \$75,000 CDBG Imminent Threat grant.</p> <p>\$25,000 Health Pre-Construction Grant.</p> <p>Applied for a \$25,000 Health Pre-Construction Grant (2016) for Water System Plan update; not funded.</p> <p>\$1.2 million DWSRF funding for new reservoir.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Mossyrock (pop. 500) Lewis County <i>(Update Water System Plan)</i></p> <p>SCI involvement per Health request in 2014</p>	<p><i>No SCI activity this quarter.</i></p> <p>Water System Plan submitted to Health for comments. Health comment letter sent to City on August 17.</p>	<p>Finalize and adopt Water System Plan.</p> <p>New Water Use Efficiency goals will be presented at a public meeting.</p>	<p>\$30,000 Department of Health Restructuring Technical Assistance grant.</p> <p>\$25,000 Department of Health Pre-Construction Grant.</p>
<p>Onalaska (Lewis County Water District 2) (pop. 232 ERUs) <i>(Update Water System Plan)</i></p> <p>SCI involvement per Health request in 2014</p>	<p>Attended Board meetings on July 12 and September 12. There are three new Board members and mostly new staff in 2016.</p> <p>Numerous calls and e-mails with District staff, commissioners, and consulting engineer regarding Water System Plan update. Assisted District in getting needed financial information from County for consultant. Sent e-mails to District explaining what information is still needed by consultant in order to complete the Water System Plan.</p> <p>District has not had a certified water works operator in place since July. (Also, District has received notice from Ecology that they need to have a qualified licensed operator overseeing the District's wastewater treatment plant operations.)</p>	<p>Complete Water System Plan Update.</p> <p>Apply for construction funding as needed.</p> <p>Assist staff with presentations/ Board workshops at monthly Board meetings, as requested.</p>	<p>\$30,000 Health Restructuring Technical Assistance Grant.</p> <p>\$24,000 CDBG Planning Only Grant to Lewis County (LCWD2 is subrecipient)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Community of Packwood (pop. ~342)/ Lewis County/ Lewis County Water/Sewer District 3 (Investigate feasibility of new community wastewater system)</p> <p>SCI involvement per Ecology SWRO request in 2009</p>	<p><i>No hands-on SCI involvement this quarter.</i></p> <p><i>This project will be removed from the next SCI Quarterly Report.</i></p> <p>Income survey that the County hired a consultant to conduct did not receive enough responses to be valid.</p>	<p>Apply for design and construction funding as appropriate.</p> <p>Interim financing for some project phases may come from future Distressed Counties 0.09% funds.</p>	<p>\$35,000 Distressed Counties .09% funds made available by the Rural Economic Development Advisory Committee of Lewis County</p>
<p>Town of Riverside (pop. ~280) Okanogan County (Upgrade water system and develop community wastewater system)</p> <p>SCI involvement per Ecology HQ in 2015 and CDBG (water) in 2015</p>	<p><u>Water</u> Town and consultant continued surveying and design work for water metering and distribution system project.</p> <p><u>Wastewater</u> GMA compliance/update underway with assistance from Commerce and Ecology staff. Critical Area Ordinance (CAO) is under review by Ecology.</p>	<p><u>Water</u> Complete design and bid documents and advertise for construction bids.</p> <p><u>Wastewater</u> Adopt updated CAO by December 31. Re-apply for Ecology funding – possibly combining design and construction funding request (up to \$5 million).</p>	<p><u>Water</u> \$485,000 State Direct Appropriation</p> <p>\$645,388 CDBG General Purpose Grant</p> <p>\$37,550 Riverside water fund</p> <p><u>Wastewater</u> \$596,000 SFY 2016 Ecology pre-construction funding (declined February 2016)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Roy (population ~875) Pierce County <i>(Update Water System Plan; explore possible transition to a new operating environment)</i></p> <p>SCI involvement per Health NWRO request in late 2014</p>	<p>Regular e-mails with Clerk-Treasurer.</p> <p>Water System Plan Update is underway, but delayed a bit due to a glitch in collecting some data.</p>	<p>Once Water System Plan Update is complete, City will evaluate long-term options regarding ownership, operations, and maintenance of the water system.</p> <p>The City would also eventually like assistance with evaluating the feasibility of a centralized sewer system.</p>	<p>Water System Plan Update is being funded with City water funds (~\$34,000).</p>
<p>Town of South Prairie (pop. ~450) Pierce County <i>(Complete Water System Plan and needed water system upgrades)</i></p> <p>SCI involvement per Health NWRO request in 2015</p>	<p>Attended Council meeting on July 5, where the Council authorized Mayor to execute the following agreements:</p> <ul style="list-style-type: none"> Hydraulic Analysis (contract for other parts of Water System Plan Update already in place). On-call engineering services. On-call planning services. <p>Water System Plan Update is now underway. Convened conference call on September 26 with Mayor, Clerk-Treasurer and Consultant regarding WSP Update.</p>	<p>Complete Water System Plan Update in 2017.</p> <p>Coordinate with Pierce County CDBG Program regarding income survey.</p> <p>Complete wastewater system capacity analysis.</p>	<p>Water System Plan Update is being funded with Town water funds.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Taylor Bay Beach Club (pop. ~40 customers) Pierce County <i>(Complete studies and upgrades to wastewater system as required by NPDES permit)</i></p> <p>SCI involvement per Ecology HQ request in 2016</p>	<p>Met with Board members and Ecology staff on August 2 to tour treatment plant and recent upgrades. Reviewed requirements of NPDES permit. Discussed possible funding options for future upgrades.</p> <p>After meeting, sent draft RSQ for engineering report and guidance for hiring process to Board members.</p>	<p>Assist Board as needed.</p>	<p>Board wastewater funds.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Vader (pop. 621) Lewis County <i>(Upgrade sewer collection system and wastewater treatment plant)</i></p> <p>SCI involvement per Ecology SWRO request in 2001 and Health SWRO request in 2009</p>	<p><u>Wastewater</u> Regular e-mails and calls with Clerk-Treasurer and Mayor. Following discussions with a different engineering consultant, the City has decided to pursue a different 'preferred alternative' than was described in the most recent Draft Wastewater Facilities Plan Amendment.</p> <p>City advertised a Request for Statement of Qualifications and has selected a new consultant. Attended meeting with City, Consultant and Ecology on September 20. Facilities Plan Update is underway.</p> <p>The City has requested a time extension to its existing Ecology pre-construction contract.</p>	<p><u>Wastewater</u> Re-examine preferred alternative in Wastewater Facilities Plan.</p> <p>Once Facilities Plan is updated and approved, initiate tribal consultation.</p> <p>Following consultation process, begin design of selected alternative.</p> <p>Work with City and RCAC (if approved by Ecology) to conduct income survey of wastewater service area – this would not be done until after a preferred alternative is identified/adopted by the City.</p> <p><u>Water</u> City will try to meet requirements (outlined in 'Conditions of Return' section of Transfer Agreement) to eventually get water system back from County.</p>	<p><u>Wastewater</u> CDBG -Planning Only Grant for \$29,500 to update 2004 Facilities Plan in 2009.</p> <p>CDBG – Planning Only Grant for I&I Evaluation in Winlock and Vader.</p> <p>FEMA funding for outfall repairs.</p> <p>\$900,000 from Ecology for Facilities Plan Amendment(s) and design of selected alternative.</p> <p>\$716,787 CDBG- GP funding for wastewater collection system improvements.</p> <p><u>Water</u> CDBG - \$613,000</p> <p>DWSRF - \$361,281 loan and \$361,281 forgivable loan</p> <p>\$717,000 CDBG grant to Lewis County for new water reservoir for Vader.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Winlock (pop. 1,350) Lewis County <i>(Water System Plan Update; water system upgrades; wastewater system upgrades)</i></p> <p>SCI involvement per Health and Ecology requests in 2014</p>	<p><u>Water</u> Water System Plan Update is in progress.</p> <p>Public Works staff has been getting better estimates of water lost due to leaks, but there are still a lot of leaks. City applied for \$750,000 in CDBG funding for water system improvements in June 2016, with a goal of reducing system leakage.</p> <p>City extended agreement with Cardinal Glass by two years, which will give more time for Cardinal to supply the City with the new well it has agreed to supply.</p> <p><u>Wastewater</u> Wastewater rates increased on January 1.</p> <p>Funding contracts are in place for design and construction of wastewater system improvements.</p>	<p><u>Water</u> Complete Water System Plan Update by end of 2016.</p> <p>City wants to replace water service lines on ~6 blocks of First St before re-paving road.</p> <p>Reduce system leakage by replacing water mains.</p> <p><u>Wastewater</u> Finalize design of wastewater system upgrades.</p> <p>Advertise for construction bids in Spring 2017.</p>	<p><u>Water</u> \$24,000 CDBG POG for Water System Plan Update, + City water system funds</p> <p>\$750,000 CDBG funding for water system improvements.</p> <p><u>Wastewater</u> ~\$4,383,117 SFY 2016 Ecology funding for design and construction of membrane replacement and collection system improvements.</p> <p>\$605,883 CDBG General Purpose grant (replaced loan portion of Ecology offer).</p>

Inter- and intra-agency coordination

Cathi:

- Convened and facilitated Maximizing Resources meeting on July 20. Recent meetings have included discussions about how to improve Tech Team meetings at the Infrastructure Assistance Coordinating Council (IACC Conference).
- Attended 'Future of Washington Infrastructure' meeting on September 1.
- Attended IACC Board meeting on September 8.
- As 2016 IACC Conference Chair, convened and facilitated Conference Planning Committee meetings on July 20, August 24, and September 21.
- Convened discussions on (September 7 and 29) with Dept of Health Hydrogeologist, Commerce Outreach staff and SCI staff to discuss possible future involvement in Mid-Columbia municipal water projects.

Jon:

- Assisted CDBG General Purpose grant program with review of 10 water and 5 wastewater applications.
- Lincoln County EDC income survey technical assistance follow-up – Odessa (water) and Sprague (sewer) both received 2016 CDBG GP funding after becoming eligible earlier in 2016 (following income survey conducted by Lincoln County EDC).

Next quarter

- Cathi and Jon will both be involved in many aspects of the 2016 IACC Conference (October 18-20 in Wenatchee).
- Cathi will convene/facilitate future 'Maximizing Resources' meetings. Next meeting scheduled for November 22.
- Jon will continue to help the Lincoln County EDC conduct income surveys in Odessa and Sprague.
- Jon will coordinate final revisions to IACC Income Survey Guidelines and posting to IACC website.
- Respond to questions as necessary on the SCI Decision Package.

Summary of Some Grant and Loan Programs for Drinking Water and Wastewater Projects

Updated 10-1-16

Type of Program	Pages
Planning	2-4
Pre-Construction Only	5-6
Construction and Design/Construction	7-11
Emergency	12

Please contact Cathi Read at cathi.read@commerce.wa.gov if you would like to update your program information or if you would like an electronic copy of this document.

PLANNING Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
CDBG Community Development Block Grant – General Purpose Grant Fund – Planning-Only Activities	<ul style="list-style-type: none"> Comprehensive plans Non-routine infrastructure plans Feasibility studies Community action plans Low-income housing assessments 	Projects must principally benefit low- to moderate-income people in non-entitlement cities and counties. <ul style="list-style-type: none"> Cities or towns with fewer than 50,000 people Counties with fewer than 200,000 people 	Grant <ul style="list-style-type: none"> Up to \$24,000 for a single jurisdiction. 	Submit a CDBG General Purpose Grant application (see page 7 for more information). Note: The 2016 CDBG funding cycle is closed. Pending HUD CDBG funding, 2017 applications will be due in June 2017. Contact: Sheila Lee-Johnston 360-725-3009 sheila.lee-johnston@commerce.wa.gov Visit www.commerce.wa.gov/cdbg for information and forms.
DWSRF Drinking Water State Revolving Fund Pre-Construction Grant Program <i>(Note: This grant application cycle will be combined with the consolidation grant cycle.)</i>	<ul style="list-style-type: none"> Water System Plans, SWSMP, and Plan amendments Feasibility studies Engineering and design Historic and cultural review Environmental review 	Not-for-profit Group A water systems with fewer than 10,000 people. Projects must principally be to move entities closer to applying for a DWSRF Construction Loan.	Grant <ul style="list-style-type: none"> Up to \$25,000 for a single jurisdiction. No match required. 	2017 applications accepted January 2 – February 28, 2017. Paper applications are accepted. Contact: Karen Klocke 360-236-3116 karen.klocke@doh.wa.gov Visit DWSRF internet site for information and forms.
DWSRF Drinking Water State Revolving Fund – Consolidation Grant Program <i>(Note: This grant application cycle will be combined with the consolidation grant cycle.)</i>	<ul style="list-style-type: none"> Water System Plans and Plan amendments Feasibility studies Consolidation of Group A water systems 	Cities, towns, and special purpose district water systems that consolidate or restructure other Group A water systems serving fewer than 10,000 people.	Grant <ul style="list-style-type: none"> Up to \$30,000 for a single jurisdiction. No match required. 	2017 applications accepted January 2 – February 28, 2017. Paper applications are accepted. Contact: Karen Klocke 360-236-3116 karen.klocke@doh.wa.gov Visit DWSRF internet site for information and forms.

PLANNING Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
DWSRF Drinking Water State Revolving Fund – Pre-Construction Loan Program	<ul style="list-style-type: none"> Water System Plans and Plan amendments Feasibility studies Engineering and design Historic and cultural review Environmental review 	Not-for-profit Group A water systems with fewer than 10,000 people. Projects must principally be to move entities closer to applying for a DWSRF Construction Loan.	<ul style="list-style-type: none"> Grant/ loan package \$6 million expected to be available for the next two years. Limit of \$300,000 per water system. No match required. 	2017 applications accepted May 1 – June 30, 2017. Applications must be submitted online. Contact: Karen Klocke 360-236-3116 karen.klocke@doh.wa.gov Visit DWSRF internet site for information and forms.
SOURCE WATER PROTECTION GRANT PROGRAM	Source water protection studies (watershed, hydrogeologic, feasibility studies). Projects need to identify solutions to source water protection problems, assist in implementation of protection plans, or increase or update data that directly benefits source water protection.	Counties, cities, towns, and special purpose districts. Homeowner’s associations and non-municipal water systems are not eligible. Project must be considered a priority for drinking water source protection by Department of Health Regional Office.	Grants <ul style="list-style-type: none"> Funding is dependent upon project needs, but typically does not exceed \$30,000. 	Applications accepted anytime; grants awarded on a funds available basis. Contact: Corina Hayes Source Water Protection Program Manager 360-236-3114 corina.hayes@doh.wa.gov http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/SourceWater/SourceWaterProtection.aspx
ECOLOGY: INTEGRATED WATER QUALITY FUNDING PROGRAM State Water Pollution Control Revolving Fund (SRF) Centennial Clean Water Fund	Planning projects associated with publicly-owned wastewater and stormwater facilities. The integrated program also funds planning and implementation of nonpoint source pollution control activities.	Counties, cities, towns, conservation districts, or other political subdivision, municipal or quasi-municipal corporations, and tribes	Loan (SFY 2018 interest rates) at either: <ul style="list-style-type: none"> 1.5% interest for 6-20 year term, or 0.7% interest for 1-5 year term Pre-Construction Set-aside (Distressed Communities) 50% forgivable principal loan and 50% loan	Applications are due October 21, 2016. Contact: David Dunn 360-407-6503 david.dunn@ecy.wa.gov http://www.ecy.wa.gov/programs/wq/funding/funding.html

PLANNING Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
RD PRE-DEVELOPMENT GRANTS (PPD) U.S. Dept. of Agriculture Rural Development – Rural Utilities Service – Water and Waste Disposal Direct Loans and Grants	Water and/or sewer planning; environmental work; and other work to assist in developing an application for infrastructure improvements.	Low-income, small communities and systems serving areas under 10,000 population.	Planning grant to assist in paying costs associated with developing a complete application for RD funding for a proposed project. Maximum \$30,000 grant. Requires minimum 25% match.	Applications accepted year-round, on a fund-available basis. Contact: Janice Roderick 360-704-7739 janice.roderick@wa.usda.gov http://www.rurdev.usda.gov/wa
RD ‘SEARCH’ GRANTS: SPECIAL EVALUATION ASSISTANCE FOR RURAL COMMUNITIES U.S. Dept. of Agriculture Rural Development – Rural Utilities Service – Water and Waste Disposal Direct Loans and Grants	Water and/or sewer planning; environmental work; and other work to assist in developing an application for infrastructure improvements.	Low-income, small communities and systems serving areas under 2,500 population.	Maximum \$30,000 grant. No match required.	Applications accepted year-round, on a fund-available basis. Contact: Janice Roderick 360-704-7739 janice.roderick@wa.usda.gov http://www.rurdev.usda.gov/wa
CERB PLANNING AND FEASIBILITY GRANTS Community Economic Revitalization Board – Project-Specific Planning Program	Project-specific feasibility and pre-development studies that advance community economic development goals for industrial sector business development.	Eligible statewide <ul style="list-style-type: none"> Counties, cities, towns, port districts, special districts. Federally recognized tribes Municipal corporations, quasi-municipal corporations w/ economic development purposes. 	Grant <ul style="list-style-type: none"> Up to \$50,000 per application. Requires 25% matching funds. 	Applications accepted year-round. The Board meets six times a year. Contact: Janea Eddy 360-725-3151 janea.eddy@commerce.wa.gov
RCAC RURAL COMMUNITY ASSISTANCE CORPORATION Feasibility and Pre-Development Loans	Water, wastewater, stormwater, and solid waste planning; environmental work; and other work to assist in developing an application for infrastructure improvements.	Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less, or 10,000 or less if proposed permanent financing is through USDA Rural Development.	<ul style="list-style-type: none"> Typically up to \$50,000 for feasibility loan. Typically up to \$350,000 for pre-development loan. Typically up to a 1-year term. 5% interest rate. 	Applications accepted anytime. Contact: Chuck Miller 360-253-7683 cmiller@rcac.org Applications available online at http://www.rcac.org/lending/environmental-loans/

PRECONSTRUCTION ONLY Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
ECOLOGY: INTEGRATED WATER QUALITY FUNDING PROGRAM State Water Pollution Control Revolving Fund (SRF) Centennial Clean Water Fund Stormwater Financial Assistance Program (SFAP)	Design projects associated with publicly-owned wastewater and stormwater facilities. The integrated program also funds planning and implementation of nonpoint source pollution control activities.	Counties, cities, towns, conservation districts, or other political subdivision, municipal or quasi-municipal corporations, and tribes.	Loan (SFY 2018 interest rates), at either: <ul style="list-style-type: none"> 1.5% interest for 6-20 year term, or 0.7 % interest for 1-5 year term <u>Pre-Construction Set-aside (Distressed Communities)</u> 50% forgivable principal loan and 50% loan <u>Stormwater grant</u> maximum award per jurisdiction: \$250,000, with a required 25% match	Applications are due October 21, 2016. SERP review and the cost effectiveness analysis must be complete at the time of application. Contact: David Dunn 360-407-6503 david.dunn@ecy.wa.gov http://www.ecy.wa.gov/programs/wq/funding/funding.html
DWSRF Drinking Water State Revolving Fund Pre-Construction Grant Program <i>(Note: This grant application cycle will be combined with the consolidation grant cycle.)</i>	<ul style="list-style-type: none"> Water System Plans, SWSMP, and Plan amendments Feasibility studies Engineering and design Historic and cultural review Environmental review 	Not-for-profit Group A water systems with fewer than 10,000 people. Projects must principally be to move entities closer to applying for a DWSRF Construction Loan.	Grant <ul style="list-style-type: none"> Up to \$30,000 for a single jurisdiction. No match required. 	2017 applications accepted January 2 – February 28, 2017. Paper applications are accepted. Contact: Karen Klocke 360-236-3116 karen.klocke@doh.wa.gov Visit DWSRF internet site for information and forms.
DWSRF Drinking Water State Revolving Fund – Consolidation Grant Program <i>(Note: This grant application cycle will be combined with the consolidation grant cycle.)</i>	<ul style="list-style-type: none"> Water System Plans and Plan amendments Feasibility studies Consolidation of Group A water systems 	Cities, towns, and special purpose district water systems that consolidate or restructure other Group A water systems serving fewer than 10,000 people.	Grant <ul style="list-style-type: none"> Up to \$30,000 for a single jurisdiction. No match required. 	2017 applications accepted January 2 –February 28, 2017. Paper applications are accepted. Contact: Karen Klocke 360-236-3116 karen.klocke@doh.wa.gov Visit DWSRF internet site for information and forms.

PRECONSTRUCTION ONLY Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
DWSRF Drinking Water State Revolving Fund – Pre-Construction Loan Program	<ul style="list-style-type: none"> • Water System Plans and Plan amendments • Feasibility studies • Engineering and design • Historic and cultural review • Environmental review 	<p>Not-for-profit Group A water systems with fewer than 10,000 people.</p> <p>Projects must principally be to move entities closer to applying for a DWSRF Construction Loan.</p>	<ul style="list-style-type: none"> • Grant/ loan package. • \$6 million expected to be available for the next two years. • Limit of \$300,000 per water system. • No match required. 	<p>2017 applications accepted May 1 – June 30, 2017.</p> <p>Application must be submitted online.</p> <p>Contact: Karen Klocke 360-236-3116 karen.klocke@doh.wa.gov</p> <p>Visit DWSRF internet site for information and forms.</p>
PWB PRE-CON Public Works Board – Pre-Construction Program	<p>Low-interest loans to fund pre-construction activities that prepare a specific project for construction.</p>	<p>Counties, cities, special purpose districts, and quasi-municipal organizations that meet certain requirements.</p> <p>School districts and port districts are not eligible.</p>	<p>No pre-construction funding currently available.</p> <p>The Public Works Board has submitted an appropriation request to the Governor for Pre-Construction funds to be included in the 2017-19 Capital Budget. Funding will be available July 2017 subject to Governor and legislative approval.</p>	<p>Check the Public Works Board website periodically at http://www.pwb.wa.gov to obtain the latest information on program details or to contact Public Works Board staff.</p> <p>Contact: Isaac Huang 360-725-3162 isaac.huang@commerce.wa.gov</p>
RCAC RURAL COMMUNITY ASSISTANCE CORPORATION Feasibility and Pre-Development Loans	<p>Water, wastewater, stormwater, or solid waste planning; environmental work; and other work to assist in developing an application for infrastructure improvements.</p>	<p>Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less, or 10,000 or less if proposed permanent financing is through USDA Rural Development.</p>	<ul style="list-style-type: none"> • Typically up to \$50,000 for feasibility loan. • Typically up to \$350,000 for pre-development loan. • Typically a 1-year term. • 5% interest rate. 	<p>Applications accepted anytime.</p> <p>Contact: Chuck Miller 360-253-7683 cmiller@rcac.org</p> <p>Applications available on-line at http://www.rcac.org/lending/environmental-loans/</p>

CONSTRUCTION AND DESIGN/CONSTRUCTION Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
CDBG-GP Community Development Block Grant – General Purpose Grants	<ul style="list-style-type: none"> Final design and construction of wastewater, drinking water, side connections, stormwater, streets, and community facility projects. Infrastructure in support of economic development or affordable housing. Planning activities including comprehensive plans, non-routine infrastructure plans, feasibility studies, community action plans, and low-income housing assessments. 	Projects must principally benefit low- to moderate-income people in non-entitlement cities and counties. <ul style="list-style-type: none"> Cities or towns with fewer than 50,000 people Counties with fewer than 200,000 people 	Maximum grant amounts: <ul style="list-style-type: none"> \$750,000 for construction projects and acquisition projects. \$500,000 for local housing rehabilitation programs. \$250,000 for local microenterprise assistance programs. \$24,000 for planning-only activities. 	The 2016 CDBG funding cycle is closed. Pending HUD CDBG funding, 2017 applications will be due in June 2017. Contact: Sheila Lee-Johnston 360-725-3009 sheila.lee-johnston@commerce.wa.gov Visit www.commerce.wa.gov/cdbg for information and forms.
RD U.S. Dept. of Agriculture Rural Development - Rural Utilities Service - Water and Waste Disposal Direct Loans and Grants	Pre-construction and construction associated with building, repairing, or improving drinking water, solid waste facilities and wastewater facilities.	<ul style="list-style-type: none"> Cities or towns with fewer than 10,000 population. Counties, special purpose districts, non-profit corporations or tribes unable to get funds from other sources at reasonable rates and terms. 	Loans; Grants in some cases <ul style="list-style-type: none"> Interest rates vary (currently 1.375-2.375%) Up to 40-year loan term. No pre-payment penalty. 	Applications accepted year-round on a fund-available basis. Contact: Janice Roderick 360-704-7739 janice.roderick@wa.usda.gov http://www.rurdev.usda.gov/wa

CONSTRUCTION AND DESIGN/CONSTRUCTION Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
DWSRF Drinking Water State Revolving Fund Construction Loan Program	<p>Drinking water system infrastructure projects aimed at increasing public health protection. The program now includes dedicated funding for subsidy.</p> <p>There is a limited amount of principal forgiveness for communities with high affordability index numbers and water system restructuring/ consolidation projects.</p>	<p>Community and not-for-profit non-community water systems, but not federal or state-owned systems; both privately- and publicly-owned systems are eligible.</p>	<p>Loan</p> <ul style="list-style-type: none"> • 1 percent loan fee (water systems receiving subsidy are not subject to loan fees). • \$3 million per jurisdiction per year. (2016 limit) • \$6 million for jointly-owned projects. (2016 limit) • 1.0 - 1.5% interest rate. • Loan repayment period: 20 years or life of the project, whichever is less. • No local match required. • \$35 million expected to be available this cycle. 	<p>The Fall 2016 application cycle closed on September 30, 2016.</p> <p>Contact: Karen Klocke 360-236-3116 karen.klocke@doh.wa.gov</p> <p>Visit DWSRF internet site for information and forms.</p>
ECOLOGY: INTEGRATED WATER QUALITY FUNDING PROGRAM State Water Pollution Control Revolving Fund (SRF) Centennial Clean Water Fund Stormwater Financial Assistance Program (SFAP)	<p>Construction projects associated with publicly-owned wastewater and stormwater facilities.</p> <p>The integrated program also funds planning and implementation of nonpoint source pollution control activities.</p>	<p>Counties, cities, towns, conservation districts, or other political subdivision, municipal or quasi-municipal corporations, and tribes.</p> <p><u>Hardship Assistance</u> Jurisdictions listed above with a population of 25,000 or less.</p>	<p>Loan (SFY 2018 interest rates) at either:</p> <ul style="list-style-type: none"> • 1.5% interest for 6-20 year term, or • 0.7% interest for 1-5 year term <p><u>Hardship assistance</u> for the construction of wastewater treatment facilities may be available in the form of a reduced interest rate, grant subsidy, or loan forgiveness. Hardship assistance is based on impact to residential ratepayers and the community MHI. Hardship funding is only available for the portion of a facility serving existing residential need.</p> <p><u>Stormwater grant</u> maximum award per jurisdiction: \$5 million, with a required 25% match.</p>	<p>Applications are due October 21, 2016.</p> <p>SERP review and the cost effectiveness analysis must be complete at the time of application.</p> <p>Contact: David Dunn 360-407-6503 david.dunn@ecy.wa.gov</p> <p>http://www.ecy.wa.gov/programs/wq/funding/funding.html</p>

CONSTRUCTION AND DESIGN/CONSTRUCTION Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
RCAC RURAL COMMUNITY ASSISTANCE CORPORATION Construction Loans	Water, wastewater, solid waste and stormwater facilities that primarily serve low-income rural communities. Can include pre-development costs.	Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less, or 10,000 populations or less if using USDA Rural Development financing as the takeout.	<ul style="list-style-type: none"> • Maximum \$3 million with commitment letter for permanent financing • Security in permanent loan letter of conditions • Term matches construction period. • 5% interest rate • 1% loan fee 	<p>Applications accepted anytime.</p> <p>Contact: Chuck Miller 360-253-7683 cmiller@rcac.org</p> <p>Applications available on-line at http://www.rcac.org/lending/environmental-loans/</p>
RCAC RURAL COMMUNITY ASSISTANCE CORPORATION Intermediate Term Loan	Water, wastewater, solid waste and stormwater facilities that primarily serve low-income rural communities.	Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less.	<ul style="list-style-type: none"> • For smaller capital needs, normally not to exceed \$100,000. • Typically up to a 20-year term • 5% interest rate • 1% loan fee 	<p>Applications accepted anytime.</p> <p>Contact: Chuck Miller 360-253-7683 cmiller@rcac.org</p> <p>Applications available on-line at http://www.rcac.org/lending/environmental-loans/</p>
RURAL WATER REVOLVING LOAN FUND	Short-term costs incurred for replacement equipment, small scale extension of services, or other small capital projects that are not a part of regular operations and maintenance for drinking water and wastewater projects.	Public entities, including municipalities, counties, special purpose districts, Native American Tribes, and corporations not operated for profit, including cooperatives, with up to 10,000 population and rural areas with no population limits.	<ul style="list-style-type: none"> • Loan amounts may not exceed \$100,000 or 75% of the total project cost, whichever is less. Applicants will be given credit for documented project costs prior to receiving the RLF loan. • Interest rates at the lower of the poverty or market interest rate as published by USDA RD RUS, with a minimum of 3% at the time of closing. • Maximum repayment period is 10 years. Additional ranking points for a shorter repayment period. The repayment period cannot exceed the useful life of the facilities or financed item. 	<p>Applications accepted anytime.</p> <p>Contact: Tracey Hunter Evergreen Rural Water of WA 360-462-9287 thunter@erwow.org</p> <p>Download application online: http://nrwa.org/initiatives/revolving-loan-fund/</p>

CONSTRUCTION AND DESIGN/CONSTRUCTION Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
CERB Community Economic Revitalization Board - Construction Program	Public facility projects required by private sector expansion and job creation. Projects must support significant job creation or significant private investment in the state. <ul style="list-style-type: none"> Bridges, roads and railroad spurs, domestic and industrial water, sanitary and storm sewers. Electricity, natural gas and telecommunications General purpose industrial buildings, port facilities. Acquisition, construction, repair, reconstruction, replacement, rehabilitation 	<ul style="list-style-type: none"> Counties, cities, towns, port districts, special districts Federally-recognized tribes Municipal and quasi-municipal corporations with economic development purposes. 	Loans; grants in unique cases <ul style="list-style-type: none"> Projects without a committed private partner allowed for in rural areas. \$2 million maximum per project, per policy. Interest rates: 1-3%* Based on Debt Service Coverage Ratio (DSCR), Distressed County, and length of loan term. (*Projects within a fire-stricken county receive 25% interest rate reduction on the determined interest.) 20-year maximum loan term Match for committed private partners: 20% (of total project cost). Match for prospective partners: 50% (of total project cost). Applicants must demonstrate gap in public project funding and need for CERB assistance. CERB is authority for funding approvals. 	Applications accepted year-round. The Board meets six times a year. Contact: Janea Eddy 360-725-3151 janea.eddy@commerce.wa.gov
PWB Public Works Board – Construction Program	New construction, replacement, and repair of existing infrastructure for stormwater, solid waste, recycling, road or bridge projects. Eligibility restrictions applied to domestic water, sanitary sewer projects. Please contact Board staff for eligibility.	Counties, cities, special purpose districts, and quasi-municipal organizations. No school districts, port districts, or tribes per statute.	Approximately \$100 million is available. \$10 million maximum per client; no match required. Standard Interest rate 1.66% with 20 year loan term and no loan fee. Applications were due on August 18, 2016. Funds available July 2017 subject to Governor and legislative approval.	Applications and guidelines can be downloaded from our web site. Please visit: http://www.pwb.wa.gov Contact: Isaac Huang 360-725-3162 isaac.huang@commerce.wa.gov

CONSTRUCTION AND DESIGN/CONSTRUCTION Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
RCAC RURAL COMMUNITY ASSISTANCE CORPORATION Intermediate Term Loan	Water, wastewater, solid waste and stormwater facilities that primarily serve low-income rural communities.	Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less.	<ul style="list-style-type: none"> • For smaller capital needs, normally not to exceed \$100,000. • Typically up to a 20-year term • 5% interest rate • 1% loan fee 	Applications accepted anytime. Contact: Chuck Miller 360-253-7683 cmiller@rcac.org Applications available on-line at http://www.rcac.org/lending/environmental-loans/
RURAL WATER REVOLVING LOAN FUND Disaster area emergency loans	Contact staff for more information on emergency loans.	Public entities, including municipalities, counties, special purpose districts, Native American Tribes, and corporations not operated for profit, including cooperatives, with up to 10,000 population and rural areas with no population limits.	90-day, no interest, disaster area emergency loans with immediate turn-around.	Applications accepted anytime. Contact: Tracey Hunter Evergreen Rural Water of WA 360-462-9287 thunter@erwow.org Download application online: http://nrwa.org/initiatives/revolving-loan-fund/

EMERGENCY Programs	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
CDBG - IT Community Development Block Grant – Imminent Threat Grants	Repair unanticipated water, sewer and other public drainage facility damages that pose an immediate, urgent threat to public health and safety. Requires formal declaration of emergency.	<ul style="list-style-type: none"> Non-entitlement cities or towns with fewer than 50,000 people. Non-entitlement counties with fewer than 200,000 people. 	Grant: <ul style="list-style-type: none"> Up to \$100,000, depending on fund availability. Intended for a temporary fix while funding for permanent solution is secured. 	Applications accepted year-round. Contact: Kaaren Roe 360-725-3018 kaaren.roe@commerce.wa.gov Visit www.commerce.wa.gov/cdbg for information and forms.
RD – ECWAG U.S. Dept. of Agriculture Rural Development Emergency Community Water Assistance Grants	Domestic water projects needing emergency repairs due to an incident such as: a drought; earthquake; flood; chemical spill; fire; etc. A significant decline in quantity or quality of potable water supply that was caused by an emergency.	Public bodies, tribes and private non-profit corporations serving rural areas with populations under 10,000.	Grant; pending availability of funds <ul style="list-style-type: none"> \$150,000 limit for incident related emergency repairs to an existing water system. \$500,000 limit to alleviate a significant decline in potable water supply caused by an emergency. 	Applications accepted year-round on a fund-available basis. Contact: Janice Roderick 360-704-7739 janice.roderick@wa.usda.gov http://www.rurdev.usda.gov/wa
DWSRF Department of Health – Drinking Water State Revolving Fund Emergency Loan Program	Will financially assist eligible communities experiencing the loss of critical drinking water services or facilities due to an emergency.	<ul style="list-style-type: none"> Publicly or privately owned (not-for-profit) Group A community water systems with a population of fewer than 10,000. Transient or non-transient non-community public water systems owned by a non-profit organization. Non-profit non-community water systems must submit tax-exempt documentation. Water system owned by an Indian tribe. The water system must meet all capacity requirements and the proposed project may not receive Safe Drinking Water Act (SDWA) national set-aside funds for Indian tribes. 	6-year loans with the following terms: <ul style="list-style-type: none"> Interest rate: 1.0–1.5% Forgiveness: up to 75% Loan term: 6 years Time of performance: 2 years from contract execution to project completion date Repayment commencing first October after contract execution 	Applications accepted anytime. Paper applications are accepted. To be considered for an emergency loan, an applicant must submit a completed emergency application package to the department. Contacts: Department of Health Regional Engineers or Janet Cherry 360-236-3153 Janet.cherry@doh.wa.gov Download application at the DWSRF internet site .